

2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director
Washington Office

EX PARTE OR LATE FILED

January 4, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

RECEIVED

JAN - 4 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **Ex Parte Notice:** CC Docket No. 80-286 In the Matter Of
Jurisdictional Separations Reform and Referral to the Federal-
State Joint Board; CC Docket No. 95-116, In the Matter of Local
Number Portability; CC Docket No. 99-301, Local Competition
and Broadband Reporting

Dear Ms. Salas:

Yesterday, I discussed with Kyle Dixon, Legal Advisor to Commissioner Powell, positions that NECA has taken in its pleadings in the above-referenced number portability and separations dockets. I stressed the need for the Separations Joint Board to implement an interim separations freeze as soon as possible, and for the FCC to act to allow number portability cost recovery for non-LNP capable LECs, providing copies of previously filed NECA ex partes on these topics. I also gave Mr. Dixon a copy of NECA's 1999 Access Market Survey, which provides statistics of relevance to the Local Competition and Broadband Reporting docket.

In accordance with Commission rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions to me.

Sincerely,


Gina Harrison

Cc: K. Dixon

Attachments

No. of Copies rec'd 0+2
List ABCDE

2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1550
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director
Washington Office

RECEIVED

November 2, 1999

NOV 2 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

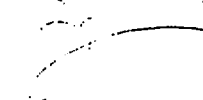
Re: Notice of Ex Parte Meeting, Local Number
Portability Cost Recovery, CC Docket No. 95-
116; Numbering Resource Optimization, CC
Docket No. 99-200

Dear Ms. Salas:

Yesterday, Kenneth A. Levy, Vice President and General Counsel, and I, both of NECA, and met with Tamara Preiss, Deputy Chief, Janet Sievert, Senior Attorney, and Josephine Simmons, Staff Attorney, Competitive Pricing Division, and with Debra Weiner, of the Office of General Counsel, to discuss matters reflected in NECA's pleadings in the above-referenced proceeding. Copies of these pleadings were given to Ms. Weiner, along with a copy of the attached September 24 ex parte.

In accordance with Commission Rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,



Gina Harrison

Cc: T. Preiss
J. Sievert
J. Simmons
D. Weiner

STAMP + RETURN



2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director

Washington Office

RECEIVED

SEP 24 1999

September 24, 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Meeting, Local Number
Portability Cost Recovery,
CC Docket No. 95-116

Dear Ms. Salas:

Today, I met with Tamara Preiss, Deputy Chief, Competitive Pricing Division, Common Carrier Bureau, to discuss matters reflected in the attached. In accordance with Commission Rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,

A handwritten signature in dark ink, appearing to be "Gina", with a long horizontal flourish extending to the right.

Gina Harrison
Attachment
cc: T. Preiss

Number Portability Cost Recovery

NECA

September 24, 1999

Chronology

- Third Report and Order permits LNP-capable companies to recover LNP costs for a five-year period in an end-user charge, but is silent with respect to non-LNP-capable carriers (May 1998).
- NECA Expedited Petition for Reconsideration seeks clarification of how non-LNP-capable ILECS can recover LNP-related costs that they incur (July 1998).
- NARUC 1999 Winter Meeting urges FCC to take action on these costs (February 1999).
- At FCC staff suggestion, NECA files petition for Expedited Interim Waiver (March 1999).

Non-LNP-capable LECs can't recover their LNP costs

- Section 52.33(a) of the Commission's Rules permits LNP-capable LECs to recover LNP-related costs in federally-tariffed end user charges.
- The rules fail to provide for LNP-related costs for carriers that are not LNP-capable. These carriers can nevertheless incur both query and numbering administration costs, without any authorized recovery mechanism.
- Third Report and Order mandates exclusive federal cost recovery, ruling out state recovery (paragraph 29).
- Rural LECs, outside of the 100 largest MSAs, are not required to offer local number portability absent a bona fide request (Third Report and Order, paragraph 17)).
- However, non-LNP-capable carriers often have to hand off traffic to neighboring LECs who are offering number portability. These non-LNP capable carriers are considered n-1 carriers in these circumstances. As such, they have to query the LNP database to determine the proper terminating carrier. These non-LNP-capable carriers then incur query charges.
- These uncompensated query charges are mounting.

The FCC should grant expeditious interim relief

- Non-LNP-capable carriers should be allowed to include LNP costs in their normal accounts, recovering them through interstate access charges, until they also offer number portability.
- The FCC recently proposed similar treatment for recovery of costs associated with number pooling. NPRM, Numbering Resource Optimization, CC Docket No. 99-200, FCC 99-122, at para. 204.

The FCC must also address long-term issues

- The FCC mandated a five-year recovery in end user charges for LNP-capable LECs to recover number portability investments.
- It is likely that non-LNP capable LECs will continue to incur query and numbering administration charges after five years.
- Thus, FCC must also address long-term cost-recovery mechanism for these LECs.

Conclusions

- Non-LNP-capable carriers are starting to get bills for query charges.
- The Bureau should act promptly to correct anomalies that leave these carriers without recovery. The Bureau should grant NECA's petition for expedited waiver. The waiver should stay in place until number portability is offered by the LEC, or at a minimum, decides NECA's Expedited Petition for Reconsideration.
- The FCC must also decide long-term cost recovery issues for non-LNP-capable LECs.

2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director
Washington Office

RECEIVED
NOV - 3 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 3, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Notice,
Jurisdictional Separations Reform, CC Docket
No. 80-286

Dear Ms. Salas:

Yesterday, a copy of the attached was delivered to Gary Seigel, Branch Chief, Accounting Safeguards Division, containing previous filings made by NECA and by state members of the the Joint Board. In accordance with Commission Rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,



Gina Harrison
Attachments
Cc: G. Seigel



2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director
Washington Office

RECEIVED

OCT 28 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 28, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Notice of Ex Parte Meeting,
Jurisdictional Separations Reform, CC Docket
No. 80-286

Dear Ms. Salas:

The attached letter to Dorothy Attwood, Esq., Legal Advisor to Chairman Kennard, was delivered today, detailing the basis of the NECA study which found that 18% of 1998 local/intrastate dial equipment minutes represent Internet traffic. Treating this jurisdictionally interstate traffic as intrastate for separations purposes produces a \$170 million misallocation of costs to the state jurisdiction for NECA pool members.

In accordance with Commission Rules, I am submitting two copies of this notice. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,

Gina Harrison
Attachment

Cc: D. Attwood
R. Loube
S. Webber
L. Zaina



2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director

Washington Office

October 28, 1999

Ms. Dorothy Attwood, Esq.
Legal Advisor to Chairman Kennard
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 80-286,
In the Matter Of Jurisdictional Separations
Reform and Referral to the Federal-State Joint
Board.

Dear Ms. Attwood:

Thank you for meeting with us on October 7 to discuss the need for an interim separations freeze. Rural telephone companies urgently need relief from the substantial jurisdictional cost shifts caused by treating interstate internet traffic as local. As promised, I am providing you with more information on the study described in NECA's October 5th letter to Common Carrier Bureau Chief Larry Strickling.

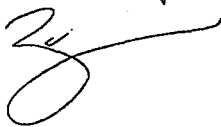
I am attaching a copy of the data request NECA sent to 551 study areas in the NECA traffic sensitive pool. All of these companies perform cost studies themselves or through their consultants; NECA did not include average schedule companies in the data request.

The results described in the Strickling letter were based on individual responses from 155 study areas and summary data provided by consultants for an additional 254 companies. On average, companies and consultants reported that 18 percent of local /intrastate dial equipment minutes was internet traffic. Approximately 25 percent of the respondents gathered data using some type of actual measurement over various time periods. Approximately 50 percent used information provided by information service providers, many of which are affiliated with the telephone company. The remainder used estimating techniques.

Pending ultimate resolution of issues, immediate imposition of an interim separations freeze will alleviate the troubling uncertainty surrounding cost recovery at a time when rural telephone companies are striving to meet growing customer demand for access to information providers.

If you have additional questions and would like to discuss this matter further please contact me at the above referenced telephone number.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Zu' or similar, with a long horizontal stroke extending to the right.

Attachments

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

1999 INTERNET USAGE DATA REQUEST

Please enter the following information:

a)	Study area code	
b)	1998 Local Dial Equipment Minutes (DEM)	
c)	1998 State toll DEM	
d)	1998 Interstate DEM	
e)	Amount of Internet usage included in (b) or (c) above (i.e., would be moved to Interstate)	
f)	If actual Internet usage is not available, what is the estimated percent of total intrastate DEM [(b)+(c)] that is Internet?	
g)	Estimated 1999 Annual Percent Growth in Internet Usage	
h)	Method used to determine Internet usage in (e):	

Name of Person completing this form: _____

Phone Number: _____

E-mail address: _____

Please submit completed form(s) to NECA by July 16, 1999 using one of the following methods:

- 1) Submit on-line:
 - Go to the NECA Data Request Entry website at <http://necainfo.org>
 - Select the "Internet Usage Data Request" hyperlink to go to our secure site
 - Enter userid "internet07" and password "m7936" (note: userid and password are case-sensitive and must be entered as lower case)
 - Enter the data as requested and press "SUBMIT"
 - If applicable, enter data for your next study area.
- 2) Submit via e-mail:
 - Prepare spreadsheet (Lotus 1-2-3 Release 5 or Microsoft Excel 97, or lower releases) replicating the data request form
 - For multiple study areas, enter each study area's data as a separate column on the spreadsheet.
 - E-mail completed spreadsheet to: apusate@neca.org
- 3) Fax completed form to your NECA region office.

IF YOU ARE UNABLE TO PROVIDE THE REQUESTED DATA:

- 1) Enter study area code [line (a)] and contact information (name, phone number) on this form.
- 2) Indicate on line (h) that you cannot provide this data.
- 3) Fax this form to your NECA region office no later than June 25, 1999.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
1999 INTERNET USAGE DATA REQUEST

Instructions/Assumptions:

- 1) Please submit one form per study area. Do not aggregate study area data to holding company level.
- 2) DEM usage data submitted should correspond to data that would be (or has been) used to develop 1998 traffic factors. For example, if you have been reflecting Internet usage as local DEM, continue to include it in line (b) data as well as reflect it on line (e).
- 3) Do *not* reflect any Internet usage on line (e) that may have been *already* included in Interstate DEM on line (d) – e.g., Internet traffic utilizing interstate 800/888/877 service.
- 4) Estimated percent growth in Internet usage from 1998 to 1999 on line (g) should reflect any actual 1999 usage available, as well as realistic projections for the remainder of 1999.
- 5) Examples of methods used to determine Internet usage on line (h) could include: actual measurement, holding time studies, estimates provided from Internet providers.

2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director

Washington Office

RECEIVED

OCT 07 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 07, 1999

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Notice, CC Docket No. 80-286,
In the Matter Of Jurisdictional Separations
Reform and Referral to the Federal-State Joint
Board.

Dear Ms. Salas:

Please find attached a copy of a letter delivered to Mr. Lawrence E. Strickling, Chief of the Common Carrier Bureau. In accordance with Commission Rules, I am submitting two copies of this notice in the docket identified above. Kindly stamp the additional return copy provided. Please direct any questions regarding this filing to me.

Sincerely,

Gina Harrison
for Gina Harrison (LHM)
Attachment

NECA NATIONAL EXCHANGE
CARRIER ASSOCIATION

100 South Jefferson Road
Whippany, NJ 07981

Richard A. Askoff
Deputy General Counsel

October 5, 1999

RECEIVED-FCC

OCT 05 1999

FEDERAL COMMUNICATIONS COMMISSION
BUREAU OF

Voice: 973-884-8350
Fax: 973-884-8008
E-mail: raskoff@neca.org

Mr. Lawrence E. Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Mr. Strickling:

New information has come to light which adds urgency to the recent request of the state members of the Joint Board on Separations for an en banc meeting to deal with Internet related issues. Since filing a letter in support of the state member's request, NECA has completed a comprehensive survey of rural local telephone companies to determine the extent of Internet traffic. The results detailed below make a compelling case for an interim separations freeze as soon as possible. NECA asks the Commission to adopt an interim separations freeze quickly based on the record before the Commission.

NECA projects, based on results of a recent data request to its member companies, that approximately 18% of 1998 local/intrastate dial equipment minutes represent Internet traffic. Treating this jurisdictionally interstate traffic as intrastate for separations purposes produces a \$170 million misallocation of costs to the state jurisdiction for NECA pool members. Local ratepayers are unlikely to accept rate increases to recover these costs which are related to interstate traffic.

Further, the tremendous growth of Internet traffic can create network congestion that impairs service levels to subscribers absent significant investments in network facilities. Rural local exchange carriers, however, are caught in regulatory uncertainty surrounding the cost recovery for Internet traffic. Continuation of the status quo places carriers in the untenable position of having to make investments with unknown cost recovery.

Pending ultimate resolution of the difficult rate and cost recovery issues surrounding Internet traffic, it is essential that the proposed en banc meeting be convened quickly and an interim separations freeze, based on a representative historical period, be put into effect immediately.

Very truly yours,

Richard A. Askoff
Richard A. Askoff

The Honorable William Kennard, Chairman
Federal Communications Commission
445 12th Street, S.W.
Room 8B-201
Washington, D.C. 20554

The Honorable Susan Ness, Commissioner
Federal Communications Commission
445 12th Street
Washington, D.C. 20554

The Honorable Michael Powell,
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Room 8B-201
Washington, D.C. 20554

The Honorable David W. Rolka,
Commissioner
Pennsylvania Public Utility Commission
North and Commonwealth Streets
P. O. Box 3265
Harrisburg, PA 17105-3265

The Honorable Joan H. Smith,
Commissioner
Oregon Public Utility Commission
550 East Capitol Street, NE, Suite 211
Salem, OR 97310-2551

The Honorable Thomas L. Welch, Chairperson
Maine Public Utilities Commission
242 State Street, State House Station 18
Augusta, ME 04333-0018

Steve Burnett
Federal Communications Commission
Common Carrier Bureau – Accounting &
Audits Div.
445 12th Street, S.W.
Washington, D.C. 20554

Debbie Byrd
Federal Communications Commission
Common Carrier Bureau – Accounting &
Audits Div.
445 12th Street, S.W.
Washington, D.C. 20554

Connie Chapman
Federal Communications Commission
Common Carrier Bureau – Accounting &
Audits Div.
445 12th Street S.W. Room #8C425
Washington, D.C. 20554

Sandra Ibaugh
Indiana Utility Regulatory Commission
Indiana Government Center South
302 West Washington, Suite E-306
Indianapolis, IN 46204

Samuel Loudenslager
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72201

Johnathan Lakritz,
California Public Utilities Commission
California State Building
505 Van Ness Ave
San Francisco, CA 94102-3298

Chuck Needy
Federal Communications Commission
Common Carrier Bureau – Accounting &
Audits Div.
445 12th Street, S.W.
Washington, D.C. 20554

Scott Potter
Ohio Public Utilities Commission
180 East Broad St.
Columbus, OH 43215-3793

James Bradford Ramsay
NARUC Observer
1101 Vermont Ave., N.W.
Suite 200
Washington, D.C. 20005

Jeffrey J. Richter
Wisconsin Public Service Commission
610 North Whitney Way
Madison, WI 53705-7854

Joel Shifman
Maine Public Utilities Commission
242 State Street
State House Station 18
Augusta, ME 04333-0018

Frederick Sistarenik
New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Sharon Weber
Federal Communications Comm.
Common Carrier Bureau
Accounting Policy Division
445 12th Street, S.W.
Washington, D.C. 20554

Cynthia VanLanduyt
Oregon Public Utility Commission
550 Capitol Street, N.E., Suite 215
Salem, OR 97310-1380

Lynn Vermillera
Federal Communications Commission
Common Carrier Bureau - Accounting &
Audits Div.
445 12th Street, S.W.
Washington, D.C. 20554

Peter H. Bluhm
Vermont Public Service Board
112 State Street
Drawer 20
Montpelier, VT 05620-2701

Lorraine Kenyon
Alaska Public Utilities Commission
1016 West Sixth Ave., Suite 400
Anchorage, Alaska 99501-1963

State Members

Federal State Joint Board On Separations

October 27, 1999

The Honorable William Kennard

Chairman

Federal Communications Commission

445 12th Street, SW

Washington, DC 20554

RE: State Member Request
For the FCC To Notice and
Solicit Comment on Cost
Study Analysis Tool - Filed
in proceeding captioned -
In the Matter of
Jurisdictional Separations
Reform and Referral to the
Federal- State Joint Board,
CC Docket No. 80-286

The State Members of the Federal State Joint Board on Separations - Oregon Commissioner Joan Smith, Maine Commissioner Thomas Welch, and Iowa Commissioner Diane Munns - believe that the cost study analysis tool described in the attached document can assist the Joint Board in evaluating the financial effects of various options and issues to be addressed in the ongoing comprehensive review of the Part 36 rules.

The attachment conveys the State Member's formal request for the FCC to solicit comments on the usefulness of this tool as soon as possible.

I have attached a disk with the model included to this transmittal. Copies of the cost study analysis tool will also be posted with the attached State Member memorandum to the National Association of Regulatory Utility Commissioner's webpage at <http://www.naruc.org>.

Thank you for your attention to this request.

Sincerely,

J. Bradford
Ramsay

Formal Request from State Members

For Notice and Comment on

Separations Simulation Cost Study Tool

Introduction

The FCC issued a Notice of Proposed Rulemaking (NPRM) in Jurisdictional Separations Reform and Referral to the Federal-State Joint Board, CC Docket 80-286 on October 7, 1997 (FCC 97-354). The goal of the NPRM was a comprehensive review of the Part 36 separations rules to consider changes that may need to be made in light of changes in the telecommunications industry. The proposals set forth in the NPRM were referred to the Federal-State Joint Board established in CC Docket 80-286 (Separations Joint Board) for preparation of a recommended decision. On December 21, 1998, the State Members of the Separations Joint Board filed a state report on Comprehensive Review of Separations setting forth additional issues to be addressed by the Joint Board. Interested parties filed comments and replies on the NPRM and the state report.

The Separations Joint Board is reviewing and deliberating the various proposals, recommendations and tentative conclusions contained in the NPRM, the State Report and parties' comments. In crafting any recommended decision or proposals for a Further NPRM, the Separations Joint Board may need to estimate any cost shifts that could result from different separations approaches. To this end, the State Members of the Separations Joint Board propose using a simulation cost study tool developed in Excel and used successfully by the Public Utility Commission of Oregon in various adjudicatory proceedings before the commission since 1985. This cost study tool would assist the Joint Board in evaluating the cost shift effects of proposed separation rule changes on Incumbent Local Exchange Carriers (ILECs) subject to 47 C.F.R. Part 36 rules.

The cost study tool applies the current Part 36 rules to an ILEC's ARMIS 43-04 information. The study develops a base case interstate and intrastate revenue requirement using company-specific information. An input sheet is included which allows the user to change various traffic factors, plant categorizations, tax rates and ROR. Adjusted interstate and intrastate revenue requirements and resultant cost shifts associated with the changes are calculated.

To demonstrate its possible use, we estimated the theoretically possible effects of two recent FCC decisions, the reciprocal compensation order and the order on the GTE ADSL tariff filing. The estimated results presented here, of course, depend upon assumptions that are explained below.

The State Members believe that the Excel cost study tool provides the Joint Board with the flexibility not available with other tools used to evaluate financial effects of changes to separations rules. The State Members also believe that state regulators and other parties affected by changes to jurisdictional cost separations will find the cost study tool helpful in evaluating how such changes could affect them as they estimate rate impacts.

Internet Dial-up Access Services

The FCC, in its reciprocal compensation order, declared that dial-up access to the Internet is an interstate service. The order states:

Although the Commission has recognized that enhanced service providers (ESPs), including ISPs, use interstate access services, since 1983 it has exempted ESPs from the payment of certain access charges. Pursuant to this exemption, ESPs are treated as end users for purposes of assessing access charges, and the Commission permits ESPs to purchase their links to the public switched telephone network (PSTN) through intrastate business tariffs rather than through interstate access tariffs. In addition, incumbent LEC expenses and revenue associated with ISP-bound traffic traditionally have been characterized as intrastate for separations purposes. Thus, the Commission continues to discharge its interstate regulatory obligations by treating ISP-bound traffic as though it were local.

The FCC's decision to treat the minutes associated with interstate dial-up Internet service as intrastate, when such services are ordered under an intrastate tariff, would under current rules assign relatively more costs to the intrastate jurisdiction. The State Members of the Joint Board used the cost study tool to estimate the relative magnitude of the costs that would have been allocated to the interstate jurisdiction if the FCC's finding that Internet traffic is interstate had been accompanied by a conclusion that Internet minutes should be counted as interstate for separations purposes.

The study allows entry of the percentage of intrastate minutes attributable to Internet usage and then reassigns that usage to the interstate jurisdiction. Separate adjustment factors are available for Subscriber Line Usage (SLU), Dial Equipment Minutes (DEM), Exchange Trunk Minutes of Use (MOU), Host/Remote MOU per Kilometer (Km), Conversation MOU and Conversation MOU Km factor.

For purposes of developing an initial estimate, the State Members estimated that 20% of the total intrastate local switching minutes are associated with dial-up Internet services. Since not all of the local switching minutes associated with dial-up Internet necessarily use trunks, it is possible that at least some of the dial-up Internet traffic will only be switched within the ISP's local switch. Therefore, we allocated 15% of the total intrastate usage for message trunks to the interstate jurisdiction. Similarly, not all of the dial-up Internet trunking usage would be routed to a tandem switch. We assumed that 10% of the intrastate tandem minutes would be reallocated as interstate. Finally, we allocated 20% of the intrastate Host/Remote MOU Km, 2% of the intrastate Conversation MOU and 2% of the intrastate Conversation MOU Km to the interstate jurisdiction. These numbers are averages and will not necessarily apply to individual companies or individual states.

Using these assumptions, and compared to the base case revenue requirement calculation, it appears that the effect of moving Internet minutes to the interstate jurisdiction would be a shift in costs of about \$2.8 billion annually nationwide (about \$1.40 per line per month) to the interstate jurisdiction.

GTE ADSL Tariff Order

Currently, Part 36 rules categorize loop investment into three categories: intrastate private line, interstate private line, and joint message. Private line costs associated with the loop are directly

Summary of Potential Cost Shifts to
the Intrastate Jurisdiction

State	Company	Internet & ADSL			Internet Only			ADSL Only		
		Rev Req /Ln/Mo	Total Rev Req Amt	% Change	Rev Req /Ln/Mo	Total Rev Req Amt	% Change	Rev Req /Ln/Mo	Total Rev Req Amt	% Change
NV	Central Tel of Nevada Divn.-Nevada	\$4.50	\$45,574,307	12.17%	\$1.75	\$17,692,597	4.72%	\$2.75	\$27,881,711	7.44%
NV	Contel/Nevada	\$5.46	\$2,264,367	10.07%	\$1.29	\$535,648	2.38%	\$4.17	\$1,728,719	7.68%
NV	Nevada Bell	\$6.70	\$27,628,250	13.38%	\$2.14	\$8,809,774	4.27%	\$4.56	\$18,818,476	9.11%
	TOTAL Nevada	\$5.15	\$75,466,924		\$1.84	\$27,038,019		\$3.30	\$48,428,906	
NY	Rochester Telephone	\$4.20	\$27,823,959	9.37%	\$0.28	\$1,872,458	0.63%	\$3.92	\$25,951,501	8.74%
NY	Bell Atlantic - New York	\$6.00	\$814,394,293	10.51%	\$1.82	\$247,479,322	3.19%	\$4.18	\$566,914,970	7.32%
	TOTAL New York	\$5.92	\$842,218,251		\$1.75	\$249,351,780		\$4.17	\$592,866,471	
OH	United Tel of Ohio	\$6.61	\$47,898,147	12.75%	\$2.10	\$15,215,740	4.05%	\$4.51	\$32,682,407	8.70%
OH	GTE NO-Ohio	\$6.34	\$65,411,283	13.29%	\$1.74	\$17,962,398	3.65%	\$4.60	\$47,448,884	9.64%
OH	The Western Reserve Tel-Ohio	\$6.81	\$14,597,420	14.27%	\$2.21	\$4,739,071	4.63%	\$4.60	\$9,858,349	9.63%
OH	Ohio Bell	\$4.29	\$207,071,072	11.84%	\$1.18	\$56,898,405	3.25%	\$3.11	\$150,172,667	8.68%
	TOTAL Ohio	\$4.93	\$334,977,921		\$1.40	\$94,815,613		\$3.53	\$240,162,308	
OK	GTE SW-Oklahoma	\$7.82	\$10,909,342	14.93%	\$2.01	\$2,799,744	3.83%	\$5.82	\$8,109,599	11.10%
OK	Southern - Oklahoma	\$5.89	\$112,390,067	12.83%	\$1.38	\$26,333,516	3.01%	\$4.51	\$86,056,551	9.82%
	TOTAL Oklahoma	\$6.02	\$123,299,409		\$1.42	\$29,133,260		\$4.60	\$94,166,149	
OR	United NW-Oregon	\$7.52	\$6,544,774	13.01%	\$2.15	\$1,873,392	3.72%	\$5.37	\$4,671,382	9.29%
OR	GTE NW-Oregon	\$6.14	\$33,777,021	12.29%	\$1.71	\$9,429,370	3.43%	\$4.43	\$24,347,651	8.86%
OR	U S WEST-Oregon	\$6.00	\$99,791,930	12.59%	\$1.06	\$17,590,938	2.22%	\$4.94	\$82,200,992	10.37%
	TOTAL Oregon	\$6.09	\$140,113,725		\$1.26	\$28,893,700		\$4.83	\$111,220,025	
PA	United Tel of Pennsylvania	\$6.77	\$31,061,368	13.64%	\$1.68	\$7,727,268	3.39%	\$5.08	\$23,334,099	10.25%
PA	GTE NO-Pennsylvania	\$5.71	\$36,138,656	13.26%	\$1.72	\$10,917,129	4.01%	\$3.98	\$25,221,528	9.25%
PA	GTE NO-Contel/Quaker State	\$5.51	\$2,925,766	14.62%	\$1.78	\$947,100	4.73%	\$3.73	\$1,978,666	9.89%
PA	GTE NO-Contel/Pennsylvania	\$4.83	\$3,704,202	13.36%	\$1.77	\$1,357,325	4.90%	\$3.06	\$2,346,877	8.46%
PA	Alltel of Pennsylvania	\$6.75	\$18,635,099	14.64%	\$1.98	\$5,476,060	4.30%	\$4.77	\$13,159,039	10.34%
PA	Bell Atlantic-Pennsylvania	\$4.87	\$365,217,254	13.25%	\$1.14	\$85,436,229	3.10%	\$3.73	\$279,781,025	10.15%
	TOTAL Pennsylvania	\$5.08	\$457,682,345		\$1.24	\$111,861,112		\$3.84	\$345,821,233	
RI	BA - Rhode Island TOTAL Rhode Island	\$5.04	\$39,599,234	12.01%	\$1.25	\$9,841,936	2.98%	\$3.79	\$29,757,298	9.02%
SC	GTE SO-Contel-South Carolina	\$6.34	\$1,828,292	13.09%	\$1.72	\$495,697	3.55%	\$4.62	\$1,332,596	9.54%
SC	GTE SO-South Carolina	\$6.95	\$15,092,894	12.56%	\$2.15	\$4,665,980	3.88%	\$4.80	\$10,426,914	8.68%
SC	BellSouth-South Carolina	\$6.57	\$114,206,759	14.51%	\$1.31	\$22,780,629	2.89%	\$5.26	\$91,426,130	11.62%
	TOTAL South Carolina	\$6.61	\$131,127,945		\$1.41	\$27,942,306		\$5.20	\$103,185,640	
SD	US WEST-South Dakota TOTAL South Dakota	\$5.54	\$18,545,325	11.88%	\$1.19	\$3,988,711	2.56%	\$4.35	\$14,556,614	9.33%
TN	United SO-Tennessee	\$6.10	\$18,336,184	13.62%	\$1.62	\$4,879,490	3.62%	\$4.48	\$13,456,694	9.99%
TN	BellSouth-Tennessee	\$5.91	\$186,398,091	13.51%	\$1.20	\$37,847,218	2.74%	\$4.71	\$148,550,873	10.76%
	TOTAL Tennessee	\$5.93	\$204,734,276		\$1.24	\$42,726,708		\$4.69	\$162,007,568	

Summary of Potential Cost Shifts to
the Intrastate Jurisdiction

State	Company	Internet & ADSL			Internet Only			ADSL Only		
		Rev Req /Ln/Mo	Total Rev Req Amt	% Change	Rev Req /Ln/Mo	Total Rev Req Amt	% Change	Rev Req /Ln/Mo	Total Rev Req Amt	% Change
TX	Central-Texas	\$7.11	\$17,926,030	14.56%	\$1.83	\$4,623,201	3.75%	\$5.28	\$13,302,829	10.80%
TX	United Tel of Texas	\$9.48	\$17,527,937	15.79%	\$1.23	\$2,280,236	2.05%	\$8.25	\$15,247,702	13.74%
TX	GTE SW-Contel-Texas	\$9.80	\$26,213,981	15.23%	\$2.84	\$7,600,656	4.42%	\$6.96	\$18,613,325	10.81%
TX	GTE SW-Texas	\$7.38	\$146,192,964	12.57%	\$2.10	\$41,712,754	3.59%	\$5.27	\$104,480,210	8.98%
TX	Southwestern - Texas	\$6.67	\$739,834,185	13.73%	\$1.64	\$181,565,068	3.37%	\$5.03	\$558,269,116	10.36%
	TOTAL Texas	\$6.88	\$947,695,097		\$1.73	\$237,781,915		\$5.15	\$709,913,182	
UT	U S WEST-Utah	\$5.91	\$78,368,693	12.23%	\$1.14	\$15,067,983	2.35%	\$4.77	\$63,300,711	9.88%
VA	United SO-Virginia	\$6.57	\$8,412,291	14.68%	\$1.43	\$1,828,670	3.19%	\$5.15	\$6,583,621	11.49%
VA	Central-Virginia	\$7.98	\$27,770,482	15.44%	\$1.73	\$6,018,516	3.35%	\$6.25	\$21,751,965	12.09%
VA	GTE SO-Virginia	\$8.06	\$3,399,723	11.46%	\$2.10	\$886,507	2.99%	\$5.96	\$2,513,216	8.47%
VA	GTE SO-Contel-Virginia	\$6.43	\$40,613,915	12.50%	\$1.74	\$10,977,431	3.38%	\$4.69	\$29,636,484	9.12%
VA	Bell Atlantic-Virginia	\$5.33	\$220,252,636	13.68%	\$1.16	\$47,746,978	2.97%	\$4.18	\$172,505,658	10.71%
	TOTAL Virginia	\$5.69	\$300,449,047		\$1.28	\$67,458,103		\$4.41	\$232,990,944	
VT	Bell Atlantic -Vermont	\$7.36	\$29,643,816	12.88%	\$1.84	\$7,413,954	3.22%	\$5.52	\$22,229,863	9.66%
WA	United NW-Washington	\$7.30	\$7,343,873	14.21%	\$2.03	\$2,046,637	3.96%	\$5.26	\$5,297,236	10.25%
WA	GTE NW-Washington	\$6.25	\$55,388,271	10.74%	\$2.08	\$18,415,084	3.57%	\$4.17	\$36,973,187	7.17%
WA	GTE NW-Contel/Washington	\$6.40	\$6,952,458	12.26%	\$1.91	\$2,080,702	3.67%	\$4.48	\$4,871,756	8.59%
WA	U S WEST-Washington	\$5.63	\$171,547,845	11.62%	\$1.24	\$37,877,184	2.56%	\$4.39	\$133,670,661	9.05%
	TOTAL Washington	\$5.83	\$241,232,447		\$1.46	\$60,419,607		\$4.37	\$180,812,840	
WI	GTE NO-Wisconsin	\$6.34	\$37,226,006	14.01%	\$1.71	\$10,030,832	3.77%	\$4.63	\$27,195,174	10.23%
WI	Wisconsin Bell	\$3.75	\$95,866,334	11.31%	\$0.96	\$24,585,423	2.90%	\$2.79	\$71,280,911	8.41%
	TOTAL Wisconsin	\$4.23	\$133,092,340		\$1.10	\$34,616,255		\$3.13	\$98,476,085	
WV	BA-West Virginia	\$7.24	\$70,346,380	14.84%	\$1.55	\$15,016,501	3.17%	\$5.70	\$55,329,879	11.67%
WY	U S WEST-Wyoming	\$9.09	\$26,717,244	14.76%	\$0.74	\$2,160,189	1.19%	\$8.36	\$24,557,055	13.56%
	TOTAL All Companies	\$5.59	\$10,980,275,461		\$1.40	\$2,743,110,149		\$4.19	\$8,237,165,312	
Regional Reporting Companies										
	ALANT TELECOMMUN. CO.	\$5.55	\$18,832,123	11.84%	\$2.14	\$7,266,560	4.57%	\$3.41	\$11,565,562	7.27%
	Citizens - Western Counties	\$9.20	\$2,999,878	14.09%	\$2.06	\$673,114	3.16%	\$7.13	\$2,326,764	10.93%
	Citizens - Upstate	\$8.77	\$27,178,316	15.33%	\$2.28	\$7,052,066	3.98%	\$6.50	\$20,126,250	11.35%
	Citizens - Red Hook	\$6.48	\$1,234,822	15.70%	\$2.03	\$386,805	4.92%	\$4.45	\$848,017	10.78%
	Cincinnati Bell (OH+KY)	\$5.48	\$67,891,628	12.33%	\$1.77	\$21,921,070	3.98%	\$3.71	\$45,970,557	8.35%
	TOTAL for Regional Reporting Companies	\$6.09	\$118,136,766		\$1.92	\$37,299,616		\$4.17	\$80,837,151	
	TOTAL All Reporting Companies	\$5.59	\$11,098,412,228		\$1.40	\$2,780,409,765		\$4.19	\$8,318,002,463	

*Counsel
to
State
Members*

RTF version

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.

- o Microfilm, microform, certain photographs or videotape.

- o Other materials which, for one reason or another, could not be scanned into the ECFS system.

The actual document, page(s) or materials may be reviewed by contacting an Information Technician. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician.

1 Pamphlet
(See 95-116)